

VZCZCXYZ0037
OO RUEHWEB

DE RUEHC #6409 3182145
ZNY SSSSS ZZH
O 142127Z NOV 07
FM SECSTATE WASHDC
TO RUEHLO/AMEMBASSY LONDON IMMEDIATE 0000
RUEHUL/AMEMBASSY SEOUL IMMEDIATE 0000
INFO RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 0000
RUEHSM/AMEMBASSY STOCKHOLM IMMEDIATE 0000

S E C R E T STATE 156409

SIPDIS

SIPDIS

E.O. 12958: DECL: 11/14/2017
TAGS: [KNNP](#) [IR](#) [PREL](#) [PARM](#)
SUBJECT: DOOSTAN INTERNATIONAL COMPANY EMPLOYEES USE
U.S.-DESIGNATED BANKS FOR PROLIFERATION-RELATED
TRANSACTIONS

REF: A. A) STATE 149523
[1](#)B. B) STATE 109506

Classified By: ISN A. A/S Patricia McNerney, reasons 1.4 (b) and (d).

[1](#)1. (U) This is an action request. Please see paragraph 4.

SUMMARY

[1](#)2. (S) The U.S. has information that Doostan International Corporation is conducting proliferation-related transactions in your jurisdiction. Washington urges host countries to freeze the assets of the relevant individuals since they are acting on behalf of UNSCR-designated entities, and prohibit their nationals or others within their jurisdictions from engaging in transactions with them. Washington also

recommends an increase in the scrutiny paid to any transaction linked to Iran.

OBJECTIVES

[1](#)3. (S) Washington requests Posts deliver the talking points and non-paper in paragraph 4, as well as information on U.S. designations of Iranian entities in REF B, to appropriate host government officials in the foreign affairs and finance ministries. Please note that the talking points come from cleared intelligence community language and should not be altered. Post should pursue the following objectives:

-- (S) Inform host countries of proliferation-related transactions taking place in their jurisdictions.

-- (S) Urge host countries to investigate the activities of Mazhad Shabani and Doostan International Company, consistent with domestic legal and regulatory authorities, and freeze any accounts or transactions held or conducted in support of proliferation activities.

-- (S) Reinforce the need for host governments to exercise increased vigilance regarding any Iranian financial relationships involving UN-designated entities, as these may be connected to proliferation-related transactions.

For Embassy Seoul Only:

-- (S) Reiterate the U.S. suggestion that South Korea investigate the activities of the Seoul branch of Bank Mellat.

For Embassy London Only:

-- (S) Urge the United Kingdom to investigate the activities of Persia International Bank PLC, London.

BACKGROUND AND NONPAPER

14. (S//ROK//UK) BEGIN SECRET/REL ROK, UNITED KINGDOM
NON-PAPER:

-- We would like to raise concerns about Iranian financial activities in your country.

-- The United States has information that Mazhad Shabani, of Iran's Doostan International Company, recently conducted business through Bank Mellat, which has a correspondent relationship with a bank in (INSERT COUNTRY NAME).

-- Doostan International coordinates procurement activities on behalf of Iranian ballistic missile entities, which is prohibited under UNSCR 1737.

-- The transactions through Bank Mellat included payments totaling the equivalent of over \$250,000 to Sweden's Mahaco International AB and China's Shanghai Technical By-Products International Corporation Company Ltd.

-- Mahaco has a long-standing relationship with Shahid Hemmat Industrial Group (SHIG) via its various front companies.

-- As you know, SHIG was designated in UNSCR 1737 for its role in Iran's ballistic missile activities.

-- China Shanghai Technical By-Products has also worked to transfer dual-use items possibly destined for use in Iran's missile program.

-- In addition, Shabani received the equivalent of over \$450,000 - in most cases using Bank Sepah - from other companies affiliated with Iran's ballistic missile program, including Mizan Machine Manufacturing Group (3MG).

-- As you may know, 3MG was designated by the U.S. under E.O. 13382 on June 8, 2007 for being owned or controlled by, or acting or purporting to act for or on behalf of, Iran's Aerospace Industries Organization (AIO). AIO was identified in the Annex to E.O. 13382 and is the overall manager and coordinator of Iran's missile program.

-- Shabani and Doostan's activities are covered by the asset freeze provisions of para. 12 of UNSCR 1737, since their activities include transactions with SHIG and Bank Sepah -- entities designated under UNSCRs 1737 and 1747 -- as well as with entities such as 3MG, AIO, and Bank Mellat that are acting on behalf of or owned/controlled by UNSCR designated entities.

-- The United States urges your government to investigate the activities of Mazhad Shabani and Doostan International Company.

-- In addition, we urge your government to exercise increased vigilance regarding Iranian financial and commercial relationships that may be associated with their WMD and missile programs, or other illicit activities, contrary to UNSCRs 1737 or 1747.

ROK ONLY TALKING POINT:

-- (S/REL ROK) We have noted before Iran's possible use of Bank Mellat for proliferation-related transactions.

-- (U) Since that time, the United States has designated Bank Mellat for providing banking services to Iran's nuclear entities, Atomic Energy Organization of Iran (AEOI) and Novin Energy. Both AEOI and Novin Energy have been designated in

UNSCRs 1737 and 1747.

-- (S/REL ROK) Bank Mellat is acting on behalf of AEOI and Novin Energy. Paragraph 12 of UNSCR 1737 requires Member States to freeze the assets not only of UNSCR-designated entities, but also of those acting on their behalf, as well as preventing those funds from being made available to them.

-- (S/REL ROK) Washington urges you to freeze the assets of Bank Mellat's Seoul branch, and to prohibit your nationals or others within your jurisdiction from engaging in transactions with it.

END ROK ONLY TALKING POINT

UNITED KINGDOM ONLY TALKING POINT:

-- (S/REL UK) We have information that Shabani may have routed the transactions through Persia International Bank PLC, London.

-- (S/REL UK) Persia International Bank PLC, London was included in the October 25 U.S. designation of Bank Mellat, since Persia International Bank PLC is a joint venture between Iran's Bank Mellat and Bank Tejerat.

-- (S/REL UK) Bank Mellat and Persia International Bank are clearly acting on behalf of AEOI and Novin Energy. Paragraph 12 of UNSCR 1737 requires Member States to freeze and prevent access to the assets not only of UNSCR-designated entities, but also of those acting on their behalf, while UNSCR 1747 reinforces this responsibility.

-- (S/REL UK) Washington urges the United Kingdom to freeze the assets of Persia International Bank and to prevent your nationals or others within your jurisdiction from engaging in transactions with it.

END UNITED KINGDOM ONLY TALKING POINT

-- We look forward to working with you on this and other related security and counter-proliferation matters, and are prepared to provide additional assistance as appropriate.

END SECRET/REL ROK, UNITED KINGDOM NON-PAPER

REPORTING DEADLINE

15. (U) Posts should report within seven (7) days of receipt of this cable. Please slug replies for ISN, IO, T, TREASURY, EAP, EUR, and NEA. Please include SIPDIS in all replies.

POINT OF CONTACT

16. (U) Washington point of contact for follow-up information is Kevin McGeehan, ISN/CPI, (202) 647-5408, McGeehanKJ@state.sgov.gov.

17. (U) Department thanks Post for its assistance.
RICE